

VZCZCXRO7448  
RR RUEHTRO  
DE RUEHC #9168/01 0242200  
ZNR UUUUU ZZH  
R 242152Z JAN 07  
FM SECSTATE WASHDC  
TO RUEHMS/AMEMBASSY MUSCAT 8375  
RUEHTV/AMEMBASSY TEL AVIV 8091  
RUEHTC/AMEMBASSY THE HAGUE 6457  
RUEHKO/AMEMBASSY TOKYO 5885  
RUEHUL/AMEMBASSY SEOUL 1674  
RUEHAM/AMEMBASSY AMMAN 6581  
RUEHJM/AMCONSUL JERUSALEM 9034  
INFO RUEHDO/AMEMBASSY DOHA 6804  
RUEHRO/AMEMBASSY ROME 8563  
RUEHMD/AMEMBASSY MADRID 4270  
RUEHLO/AMEMBASSY LONDON 4541  
RUEHAD/AMEMBASSY ABU DHABI 6731  
RUEHTRO/AMEMBASSY TRIPOLI 1285  
RUEHBS/USEU BRUSSELS

UNCLAS SECTION 01 OF 03 STATE 009168

SIPDIS

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [SENV](#) [XF](#) [MU](#) [IS](#) [JO](#) [KS](#) [KWBG](#) [JA](#) [NL](#)

SUBJECT: MEPP: MIDDLE EAST MULTILATERAL WORKING GROUP ON  
WATER RESOURCES - EXECUTIVE COUNCIL MEETING OF THE MIDDLE  
EAST DESALINATION RESEARCH CENTER, DECEMBER 12, 2006

[1](#)1. (U) This cable is Sensitive But Unclassified. Please  
handle accordingly.

-----  
Summary and Introduction  
-----

[1](#)2. (U) The Executive Council (ExCouns) of the Middle East  
Desalination Research Center (MEDRC) held its nineteenth  
meeting in Muscat, December 12, 2006. MEDRC, which was  
established by the Middle East peace process Multilateral  
Working Group on Water Resources, has its headquarters in  
Muscat, Oman, and has been operating continuously since early  
[1](#)1997. Representatives of the U.S., Israeli, Omani,  
Jordanian, Japanese, Korean, and Dutch governments, along  
with a representative of Palestinian Authority President  
Mahmoud Abbas, constitute MERC's Executive Council. MEDRC's  
activities are open to experts and officials from throughout  
the Middle East and other parts of the world.

[1](#)3. (U) In their opening remarks, both MEDRC Director  
Quteishat and ExCouns Chairman Sayyid Badr noted that the  
meeting marked the tenth anniversary of MEDRC and that MEDRC  
had established itself as a well known and respected  
desalination research institution. After reviewing the  
status of ongoing activities, the main topic of discussion  
was the issue of MEDRC's financial situation, which remains  
tenuous. Quteishat,s cash flow projections demonstrated  
that MEDRC resources would run out in 2007 if no additional  
revenues are forthcoming. MEDRC staff reported that serious  
discussion with several potential new member governments  
continue, with expectations that at least one new member will  
join soon. ExCouns members agreed to try to secure  
additional funds to cover the deficit that will ensue in 2007  
if case no new members join. End Summary and Intro.

-----  
Participants  
-----

[1](#)4. (U) The following officials participated in the December  
12 ExCouns meeting: for Oman, Amb. Sayyid Badr, ExCouns  
Chairman and Omani MFA Under Secretary, and Mr. Khalid  
Al-Muslahi, Omani MFA; for the U.S., Dr. Charles Lawson,

ExCouns Vice Chairman and NEA Senior Advisor for Science and Technology and Mr. Kevin Price U.S. Technical Representative and Bureau of Reclamation; for Israel, Mr. Yaacov Keidar, Multilateral Coordinator, Israeli MFA, Mr. Yaacov Hadas-Handelsman, Deputy Director General, Israeli MFA; for Japan, Mr. Hitoshi Ishizuka, Japanese Embassy Muscat, and Prof. Totaro Goto, Japanese Technical Representative; for Korea, Mr. Euy Sang Yoo, Korean Embassy Muscat; for the Palestinians, Mr. Marwan Abdulhamid, Advisor to President Mahmoud Abbas; for Jordan, Mr. Fayez Bataineh, Assistant Secretary General, Jordan Valley Authority; and for The

SIPDIS

Netherlands, Prof. Jan Schippers, Dutch Technical Representative. MEDRC Director Koussai Quteishat and Associate Director Shannon McCarthy also participated in the meeting.

-----  
10 Year Anniversary Noted  
-----

15. (U) At the opening of the meeting, ExCouns Chairman Sayyid Badr and MEDRC Director Quteishat both noted that as of this meeting, MEDRC is ten years old. (Note: Founding members Oman, the U.S., Israel, Japan, and Korea concluded the international agreement establishing MEDRC on December 22, 1996. End note.) MEDRC arose out of the Middle East Multilateral peace process Working Group on Water Resources. Sayyid Badr and Quteishat observed that MEDRC has operated continuously over the last ten years and commented that, as

STATE 00009168 002 OF 003

SUBJECT: MEPP: MIDDLE EAST MULTILATERAL WORKING GROUP ON WATER RESOURCES - EXECUTIVE COUNCIL MEETING OF THE MIDDLE EAST DESALINATION RESEARCH CENTER, DECEMBER 12, 20 far as they know, MEDRC remains the only regional institution established under the peace process in operation today.

-----  
Status of Ongoing Activities  
-----

16. (U) Since the June 2006 ExCouns meeting, MEDRC has awarded five research projects (these were under review at the time of the June meeting), with several other proposals still under consideration. The total number of MEDRC projects awarded since MEDRC began operations now stands at 59, 31 of which have been completed. As a measure of the high quality and importance of the research MEDRC funds, Quteishat noted that for the eight month period March-October 2006, final reports of projects have been downloaded from the website, and software packages developed under MEDRC projects have been downloaded 917 times. MEDRC's scholarship program continues to expand, with each of the five new projects including a Masters or Ph.D. student on the project. To date, MEDRC has supported ten Masters and fifteen Ph.D. students. Demand for MEDRC sponsored training courses also continues to increase. In 2006, MEDRC sponsored eight training courses in six countries (one in Oman, Bahrain, Morocco, and Tunisia; and two each in Algeria and Egypt). Since the training program began in September 2003, MEDRC has organized 24 training courses, with 876 experts from the region having participated. Quteishat noted that MEDRC is organizing its first ever training course in Libya, co-sponsored by the Libyan Petroleum Institute. The will take place in February 2007. This meeting will be the first one under MEDRC sponsorship to be held in Libya.

-----  
Fundraising  
-----

17. (SBU) Associate Director McCarthy reported that MEDRC still is waiting for Qatar to conclude the agreement to join MEDRC. (Note: Qatari officials confirmed their intention to join MEDRC about a year ago, but the government has been slow

to finalize its internal arrangements. End note.) McCarthy noted that MEDRC also is in various stages of discussion with Italy, the UAE, Spain, the UK, and Germany. Italy had agreed to join last year, but with the change of government, that decision has been put aside for now. Quteishat said that MEDRC also is interested in Libyan membership, noting that MEDRC engagement with Libya is increasing. In addition to the training course MEDRC will sponsor in February 2007 (para. five above), Quteishat noted that two of the MEDRC scholarship students are Libyan. Lawson urged MEDRC to continue engaging with Libya through training courses and the like but cautioned that the GOL is likely to take its time before making any decision to join.

¶8. (U) Quteishat reported that he and the Dutch ExCouns member continue to talk with the European Commission about securing funds for projects. (Note. The EC was a founding supporter of MEDRC. In 2004, it unexpectedly pulled out of MEDRC and left an unfulfilled commitment of 2 million Euros. End note.) MEDRC hopes to submit a project proposal to the Commission in the near future.

-----  
Financial Update  
-----

¶9. (SBU) In reviewing MEDRC's financial situation, Quteishat emphasized that MEDRC's funding situation is remains critical. Quteishat reported that cash flow forecast for 2007 show that if no additional funds are received, MEDRC would end 2007 with a deficit of \$1.72 million. While there is a good chance that Qatar will join MEDRC in 2007, ExCouns members Oman, the U.S., Japan, Israel, Korea, and The Netherlands agreed to try to secure additional funds from their own sources to cover the deficit, in case there are no new members in 2007.

-----  
STATE 00009168 003 OF 003

SUBJECT: MEPP: MIDDLE EAST MULTILATERAL WORKING GROUP ON  
WATER RESOURCES - EXECUTIVE COUNCIL MEETING OF THE MIDDLE  
EAST DESALINATION RESEARCH CENTER, DECEMBER 12, 20  
Comments  
-----

¶10. (SBU) While the prospects appear good that Qatar will conclude arrangements to join MEDRC in 2007, concluding those arrangements as soon as possible is more critical than ever (those arrangements include a commitment by Qatar to provide \$3 million to MEDRC). Having current ExCouns member governments contribute additional funds in 2007 even if Qatar does join, will help ease the financial crunch in the short term. For the longer term, a steady stream of new contributions - either from existing members or from new members joining - will be needed to assure MEDRC's sustained existence.

¶11. Tripoli minimize considered.  
RICE